

Letter to the Editor:

Terence Corcoran in his editorial (Is there a case for nuclear power, July 3) has made a number of errors and exaggerations in his column. He claims the problems with nuclear power include terrorism, nuclear fuel waste, and nuclear safety, but nowhere does he acknowledge that all of these apparent obstacles have solutions, many of them put in place by the nuclear industry many years ago. Nowhere does he acknowledge that nuclear power is in fact the safest form of large scale energy generation. Nowhere does he acknowledge that Canada is taking steps to implement solutions to all its small amount of radioactive wastes and used nuclear fuel.

His real argument is about costs. He speculates based on the experience of Darlington that Ontario's nuclear construction costs could be double the current estimate of about \$26 billion. Mr. Corcoran neglects to mention that Darlington's inflated cost of \$14 billion was principally the result of interest rates in double digits, and years of schedule delays imposed by the provincial government. If these assumptions are applied to other forms of power generation, they too would be inflated by similar proportions.

Mr. Corcoran notes the discrepancy between construction costs in Canada and the United States. He nowhere acknowledges that those respective estimates are based on quite different assumptions and include quite different items as plant construction costs. In Canada, estimates are based on the actual cost to build the plant alone, allowing a real comparison between available technology choices. The higher US estimates include transmission and distribution, capital interest, regulatory and approvals costs. Both are legitimate ways to cost out a plant, but Mr. Corcoran blurs the distinction between them and neglects to mention that much of these additional costs would fall on any other form of generation.

Perhaps Mr. Corcoran's most foolish statement is the claim, "Whatever the number, nobody in the private market will finance a nuclear plant." It would appear that Mr. Corcoran is unfamiliar with the contract and power purchase arrangements for the Finnish Olkiluoto 3 nuclear reactor. It would appear that Bruce Power in Ontario is entirely prepared to finance and build a nuclear reactor using private, not government financial structures.

The largest error in Mr. Corcoran's statement is that a carbon tax is required to "kill off" nuclear power's competition, namely coal. Nothing could be further from the truth. In the 1990s, in the wake of the deregulation of the U.S. transmission grid, there was a strong resurgence in investment in nuclear power stations by U.S. privately owned utilities. This investment was in both extending the service life of, and increasing the power production of existing reactors. Billions of dollars were spent on these upgrades, and they were financially highly attractive for US utilities despite the fact that coal and natural gas were at all time historic low prices. But the simplest rebuttal of Mr. Corcoran's contention is simply this; companies are prepared to invest in nuclear power all around the world simply because of security of supply and the escalating costs of fossil fuels. Carbon taxes are mostly irrelevant to this surge in demand for nuclear plants. At the end of 2007,

nearly 40 nuclear plants were under construction around the world, and more than 300 others in planning stages. Mr. Corcoran would have your readers believe that he alone knows something that none of these thousands of highly educated people working on hundreds of power projects around the world knows.

Finally, Mr. Corcoran tries the usual trick of antinuclear agitators in posting a Trojan Number, claiming that nuclear as a solution in the US will require a \$6 trillion investment over half a century. As noted earlier, this includes transmission and distribution systems that will have to be built anyway.

More serious is ignoring what the International Energy Agency (IEA) has already pointed out in its World Energy Outlook 2006. The world will need to invest at least \$12 trillion in all forms of electrical infrastructure before 2030 alone if it is simply to maintain its existing system and deal with modest load growth. Interestingly, the principal obstacle to nuclear power development, according to the IEA, is not competition from fossil fuels but potential bottlenecks in manufacturing nuclear plant components. What the IEA found was that with a low discount rate nuclear was the lowest cost generation option, and under a high discount rate it was only slightly more expensive than conventional coal-fired generation. What nuclear provided in all cost regimes was price stability, a factor important in electricity economics and not considered by Mr. Corcoran.

In closing, Mr. Corcoran's contention that carbon taxes are required for nuclear power to be economic is simply wrong. Existing energy markets have already given nuclear power all the cost advantages it needs.

Yours truly

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